The only question was: How much?

Salomon Brothers had lead early in game

NEW YORK — Well before the final numbers on market share were out, members of Salomon Brothers' corporate finance department were boasting of the firm's "market dominance," as one staffer put it.

Indeed, it was clear early on that Salomon would come out on top in the rankings. The only question was how much of a market share the firm would take.

As it turned out, Salomon was credited with 23.4% of the $82.2 billion raised in 1984, compared with 13.5% of the $97.1 billion in volume in 1983, according to IDD Information Services' bonus-credits-to-lead-managers rankings.

By individual categories, Salomon also held the leading market share — about 27.5% — in straight debt financings and financial company offerings. It ranked fourth in the areas of common stock, nonconvertible preferred and convertible preferred.

"Our dominance was exceptional," asserted Harold Tanner, a managing director and one of the firm's corporate finance chiefs.

"1984 for us was not just a bolt out of the blue, however; we've been pushing. We've been right up there among the leaders for the past four or five years, continually increasing our client base."

Since 1981, the number of deals in which Salomon was lead manager almost doubled, to 186 from 98, according to IDD. Last year, it participated in 509 issues.

Likewise, staffing in Salomon's corporate finance area has grown to 180 professionals from 144 in 1981. The firm expects that number to increase to about 200.

Salomon's dominance by another measure, however, was less dramatic. Its actual underwriting commitment of public offerings last year totaled $12 billion, a 14.6% market share. Drexel Burnham Lambert Inc., the runner-up, commited to $8.4 billion or a 10.2% market share.

Even so, observers say Salomon's aggressiveness has been a key reason for its dominance in the investment banking business.

Mr. Tanner maintained investment banking firms must back up that aggressiveness with an ability to deliver the product. He pointed to Salomon's attention to issuer and buyer preferences as well as its ability to respond quickly through analytical resources and trading and sales capabilities as the key reasons for its standing.

"Most issuing companies have a narrow number of investment bankers that they talk to. It's important to know what their interests are and be responsive to their needs," Mr. Tanner said.

The advent of the put bond — one of last year's innovations that gained popularity when interest rates climbed in the spring — is one case in point.

The idea came from clients, said Jessica Palmer, vice president-capital market services. Salomon responded through its analytical resources with a structure that could meet their needs and quickly presented it to the issuer and investment arenas.

The new security was geared to overcome investor anxiety about holding longer-term bonds in a rising interest rate environment by giving buyers the right to sell them back to the issuer for full face value after a specified period of time.

All told, issuers raised $2.4 billion from 22 put bond transactions last year. Salomon was lead manager in 11 of those.

While Salomon's response to issuer and buyer preferences might be one reason for its underwriting lead, another was its involvement in many of 1984's largest offerings.

Chevron Capital U.S.A. and Texaco Capital, for example, turned to the Salomon when they needed to raise capital to fund their acquisitions of Gulf Oil Corp. and Getty Oil Co., respectively.

Salomon was lead manager for two Chevron note offerings totaling almost $2 billion in net proceeds. It also was lead manager for two of four financings by Texaco Capital that netted $1 billion.

In addition, Salomon managed Sweden's floating rate note offering — the largest deal of the year — with net proceeds of $1.5 billion. The Federal Home Loan Mortgage Association also turned to the investment house for a number of transactions last year, including a collateralized mortgage obligation deal last January that netted $521 million.

A sizable portion of Salomon's market share also was due to the volume it generated in mortgage-backed securities, an area of traditional dominance for the firm. According to IDD, Salomon was lead manager for $4.2 billion of the $11.2 billion mortgage-related offerings in 1984 — 37.2% of that market.

Still, Salomon maintains it was a clear leader without mortgages. "Those securities only further enhanced that lead," said Mr. Tanner.

Excluding mortgage-related and savings and loan conversion-related securities, the firm continued to lead in overall underwriting volume by $6.3 billion (full credit to book manager), according to figures provided by Salomon.

Should the strength of the dollar continue, Mr. Tanner expects the Eurobond market will continue to be one of the major sources of corporate financings in 1985. Mortgage-backed securities might emerge as an important component of that market, as signaled by Prudential Insurance Co.'s recent offering of mortgage-related securities in Europe.

The advent of the Euroyen bond is another important development on the international front that might be a significant source of financing in 1985, Mr. Tanner said.

Japan, in December, permitted multinational companies to issue bonds denominated in yen outside Japan, and a number of corporations immediately lined up to issue Euroyen securities.

Should the Japanese government go ahead with a proposal to lift the withholding tax imposed on Japanese corporations, a large number of Japanese corporations might enter the Euroyen market as well. ■

Harold Tanner

Total financing: by type of security

	1984		1983	
	# Issues	$ Amount (mil.)	# Issues	$ Amount (mil.)
Straight debt	718	65,246.70	534	46,055.57
Convertible debt	66	4,076.73	113	6,106.50
Preferred stock	46	3,114.18	77	5,142.50
Convertible preferred stock	24	817.93	54	3,148.28
Common stock**	556	8,920.09	1,418	36,650.91
Total financing	1,410	$ 82,175.63	2,196	$ 97,103.76

**Includes initial public offerings.

Source: IDD Information Services

Ranking by dollar amount underwriting commitment for public offerings

Rank	Underwriter	$ Amount	# Issues
1.	Salomon Brothers	11,996.6	509
2.	Drexel Burnham Lambert	8,360.3	545
3.	Merrill Lynch Capital Markets	8,279.6	583
4.	First Boston	7,039.7	492
5.	Goldman, Sachs	6,200.4	481
6.	Shearson/American Express	4,817.9	515
7.	Morgan Stanley	3,565.9	332
8.	Kidder, Peabody	2,645.8	509
9.	Prudential-Bache	2,626.3	548
10.	Dean Witter Reynolds	2,554.6	506
11.	Bear, Stearns	2,221.2	523
12.	Paine Webber	2,113.3	522
13.	E. F. Hutton	1,565.9	500
14.	Smith Barney, Harris Upham	1,316.7	489
15.	Donaldson, Lufkin & Jenrette	1,289.5	454
16.	Rothschild, Unterberg, Towbin	1,197.4	513
17.	Dillon, Read	1,136.8	378
18.	Lazard Freres	934.5	385
19.	Wertheim	797.6	400
20.	Alex. Brown & Sons	606.8	428
21.	Thomson McKinnon Securities	514.2	420
22.	A.G. Edwards & Sons	342.5	425
23.	Oppenheimer	316.6	381
24.	Edward D. Jones	273.8	61
25.	Keefe, Bruyette & Woods	261.9	63

Source: IDD Information Services

Merrill Lynch maintains hold on equity financings

NEW YORK — Despite a slight drop in the overall 1984 rankings, Merrill Lynch Capital Markets remained strong in the area of equity financings.

A strong distribution network and traditional prowess in the equity arena helped put the firm first in financings of common stock and initial public offerings, said Sorrell Mathes, a managing director in charge of the firm's emerging growth company group.

IDD Information Services credited Merrill with $930 million of 1984's $9 billion in common stock volume under the bonus-credit-to-lead-manager ranking. Its share of the year's $3.8 billion IPO volume totaled $442 million.

Although No. 1 in the equity rankings, Merrill placed third in the overall picture, down from second in 1983 and first in 1982. The firm's share of all underwritten offerings totaled $9.1 billion for 1984 — an 11% market share.

Merrill's actual underwriting commitment for 1984 public offerings was $8.3 billion, putting the firm behind Salomon Brothers and Drexel Burnham Lambert Inc. However, IDD noted the firm participated in the most deals for the year — 583.

The numbers, in part, reflect Merrill's practice of looking first to the economics, rather than the size, of an equity deal. Thus, its underwriting volume typically will be generated from doing a large number of equity deals of more moderate size.

"You reach a point when the size of an equity deal is uneconomical," explained Mr. Mathes.

This thinking is perhaps in line with Merrill's recent efforts to build up its investment banking activities in the emerging growth and high-technology arena. Despite this market's poor showing in 1984, the firm believes smaller, growing companies will be a thriving market in the long term and will prove to be a profitable one.

"This is a key area of emphasis for us," Mr. Mathes said. He added Merrill is rallying its resources and its senior investment banking staff to the effort.

While Mr. Mathes freely admits 1984 was not a boom year for the emerging-company market, he is confident 1985 will prove a better year for this arena.

"Already we're seeing a market that is more receptive to these companies than it has been in the last six to eight months," he said. ■

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High tech still offers rewards

NEW YORK — The high-technology market continued to be a keen area of strength for Shearson Lehman/American Express in 1984.

According to IDD Information Services, Shearson took 28.7% of that market in a difficult year for the high-tech arena. It underwrote $638.8 million for high tech companies, in the bonus-credit-to-lead-manager ranking.

Morgan Stanley, Shearson's closest competitor by this measure, financed $210.4 million for a 9.5% market share.

"Shearson has focused very heavily on emerging companies," said Robert McCabe, a managing director. "We didn't have a list of longtime prestigious clients to draw from."

Its 1984 merger with Lehman Brothers, with a long-standing interest in technology, Mr. McCabe said, served to augment its expertise in the high-tech, emerging growth market.

Shearson's newly formed technology/health care group has 20 professionals who spend the bulk of their time working with clients. Other professionals throughout the firm also work with technology clients.

Its expertise, combined with an extensive distribution network on both the retail and institutional sides, has "provided a very potent weapon in soliciting new clients," Mr. McCabe said. Shearson's sales force numbers 5,000. When Lehman came in, it brought a sales force of 300, he added.

The firm's focus in the high-tech area is not geared toward any particular size company or deal. "We are not just trying to do large deals for large companies or small deals for small companies. We're trying to serve the range," Mr. McCabe explained.

Shearson completed financings for Westinghouse Electric Corp., Digital Equipment Corp. and AST Research Inc., among others. While some financings were for convertible debt, the bulk of Shearson's activities in 1984 centered more in the common stock arena, including initial public offerings.

That was no easy task for the investment banker, given the poor market environment for technology stocks last year.

Financings in this market sector fell to $2.2 billion in 1984, from an unprecedented $8.1 billion in 1983, according to IDD. Volume also was off from 1982 financings, which totaled $2.5 billion.

Investors grew wary of technology companies last year when many of these concerns, which went public in 1983, failed to meet earnings expectations. However, many investment bankers call the heated financing activity among high tech companies in 1983 an aberration.

The lowering of the capital gains tax rate in 1978 fueled a resurgence of high tech venture capital financings.

The strong stock market climate in 1983 and investor interest in technology companies in particular sent an inordinate number of the venture capital situations into the initial public offering market. Admittedly, said one Shearson investment banker, some of those deals shouldn't have been done.

Despite investor caution in evaluating deals, Mr. McCabe asserted that the current market is not a bad one for high-tech companies. "Rather it is a market that has come to its senses," he added. "The quality deals are the ones that are getting done."

While Shearson was pushing its expertise in the health care and technology group, it also was being credited with an innovation in the preferred stock arena. The firm developed for American Express Co. money market preferred stock, a new type of adjustable-rate preferred whose yield is adjusted every 49 days based on bids by shareholders and prospective buyers.

The new security, like the original adjustable rate preferred security, is geared for corporate investors looking for instruments with which to park spare cash.

Unlike MMPs, the original instrument was repriced quarterly, with the interest rate pegged to Treasury issues. Still, corporate treasurers discovered, the price of those securities could swing widely on resale.

The auction format of Shearson's MMPs is designed to keep those issues trading closer to par. The savings to issuers over the first generation of adjustable preferreds can be as much as 3%.

American Express has come out with three $75 million offerings of MMP since they debuted last summer. Other companies, including U.S. Steel Corp., have issued similar securities as well. ■

Total financings
(bonus credit to lead manager — $ millions)

1984 rank	Manager	1984 Amount	1984 Issues	1983 Amount	1983 Issues
1.	Salomon Brothers	$ 19,257.2	293	$ 13,089.3	296
2.	First Boston	10,005.4	225	8,453.0	193
3.	Merrill Lynch Capital Mkts.	9,079.2	270	12,756.6	390
4.	Drexel Burnham Lambert	8,488.0	125	8,781.7	151
5.	Goldman, Sachs	8,195.0	194	10,812.9	239

Source: IDD Information Services

Total financings
(full credit to lead manager — $ millions)

1984 rank	Manager	1984 Amount	1984 Issues	1983 Amount	1983 Issues
1.	Salomon Brothers	$ 21,222.3	186	$ 15,675.1	175
2.	Drexel Burnham Lambert	10,484.8	102	7,330.9	125
3.	First Boston	10,020.6	129	9,604.6	114
4.	Merrill Lynch Capital Mkts.	8,622.2	125	12,584.1	214
5.	Goldman, Sachs	7,908.8	97	10,758.9	137

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Drexel continues to gain force, stature in underwriter rankings

NEW YORK — As 1984 was drawing to a close, word on Wall Street was that Drexel Burnham Lambert Inc. and First Boston Corp. were fighting it out for second place in the overall underwriting rankings.

Who won that battle, if it existed, depends on what numbers you choose. What's clear, however, is that Drexel has become a force to be reckoned with.

Drexel has improved steadily in its position among underwriters through the years. It has done so by aggressively competing for business, maintaining an emphasis on innovation and striving to create an atmosphere that could attract and keep the best professionals.

"Since 1974, we've gone from not being a factor in the game to being a real force," asserted Frederick Joseph, head of Drexel's corporate finance department.

Under IDD Information Services' bonus-credit rankings, Drexel has moved to fourth place with a 10.3% market share in 1984, from 14th place and a 2% overall market share in 1980. It ranked second in 1984 when full credit is given to lead managers. In straight debt financing, the firm has risen to third with an 11.8% market share in 1984 from 15th place with a 1.5% market share in 1980.

Moreover, the firm has increased its market share in the past five years to place among the Top 10 underwriters in the convertible debt, non-convertible preferred and common stock areas.

Although the firm's standing in the rankings doesn't make Mr. Joseph unhappy, he is quick to point out he doesn't measure the firm's success by them because they reveal little about how a firm is actually doing.

"We don't run the business based on market share," he said. Rather, it's focusing on number of clients, doing deals that mean profits for the firm, and improving services.

"We like to think one of our strengths is that we are very quick and flexible," Mr. Joseph said. Drexel looks to issuer and buyer preferences and works to come up with what he called "creative responses" to those preferences.

Indeed, the firm has a long-standing reputation for being creative. Many of the new twists to debut in the marketplace last year came out of Drexel's shop.

The firm developed the springing warrant for Gearhart Industries as a defense against an unfriendly takeover attempt by Smith International.

Gearhart sold almost $98 million of debentures with these warrants, designed to "spring" in the event of a hostile bid and dilute the holdings of the attacker. Mr. Joseph argued it provides a prudent alternative to such takeover defenses as the "poison pill," which ultimately can have a destructive impact on the upside potential of the stock.

Drexel also created the subordinated exchangeable variable-rate note, which allows companies to borrow at cheaper short-term rates while still retaining access to capital for a longer period.

The interest rate on these notes floats typically for the first five years, then becomes fixed for the next five. Issuers have the option at the end of each quarter in the first five years to trade the variable notes for fixed-rate instruments. The firm has done about $5 billion of these deals so far.

Drexel also introduced the idea of superstock through an initial stock offering made by Arley Manufacturing Corp.

Investors effectively got a money-back guarantee in the offering. In two years, they have the right to exchange their $8 shares for $8 subordinated notes or cash if the company prefers.

If Drexel has become a formidable contender, it is in part, some say, because the firm has had to compete harder and longer than other investment banking houses.

It built a market niche in underwriting less-than-investment-grade securities in the mid-1970s when deals had to be aggressively packaged and sold.

Today, when other firm's are eyeing that business, Drexel still dominates that market. According to IDD, the firm was lead manager for 67.7% of the $14.1 billion in financings completed last year.

While some might argue Drexel's position in the rankings is due largely to its work in the junk bond area, the firm has extended its reach into other market niches and a wider clientele.

Mr. Joseph said the average size of Drexel's growing client base has increased as has the size of offerings. Deals completed by the firm in 1983 on average totaled $60 million. Last year they grew to $100 million on average. In addition, he noted the firm's fee income last year was 177% over 1983.

Drexel is looking to use its financing strength to, among other things, increase its merger and acquisition activities as well as leveraged buy-out work. Of the 50 people Mr. Joseph expects to add to Drexel's 165-person corporate finance team, about 20 of them will be hired to work in the M&A area.

Frederick Joseph

Over time, Mr. Joseph would like to see the size of his team double and have that team recognized at the best in the business.

The corporate finance director has his fantasies as well. "It would be nice if we could maintain our last five year's growth record," he mused. "Then we'd have 100% of the market." ■

Convertible preferred stock
(bonus credit to lead manager — $ millions)

1984 rank	Manager	1984 Amount	1984 Issues	1983 Amount	1983 Issues
1.	Goldman, Sachs	$ 179.6	5	$ 363.3	4
2.	Morgan Stanley	179.5	5	448.4	10
3.	First Boston	164.2	4	171.7	5
4.	Salomon Brothers	67.5	2	259.9	7
5.	Paine Webber	36.7	2	93.3	2

Convertible preferred stock
(full credit to lead manager — $ millions)

1984 rank	Manager	1984 Amount	1984 Issues	1983 Amount	1983 Issues
1.	Goldman, Sachs	$ 231.3	4	$ 475.0	3
2.	First Boston	175.0	2	135.0	4
3.	Morgan Stanley	164.8	4	480.4	10
4.	Smith Barney, Harris Upham	60.0	1	80.0	2
4.	Salomon Brothers	60.0	1	267.6	5
5.	E.F. Hutton	29.0	2	59.8	2

Source: IDD Information Services

Common stock
(bonus credit to lead manager — $ millions)

1984 rank	Manager	1984 Amount	1984 Issues	1983 Amount	1983 Issues
1.	Merrill Lynch Capital Mkts.	$ 930.4	54	$ 4,135.8	167
2.	Goldman, Sachs	836.5	31	4,035.1	95
3.	Morgan Stanley	721.0	19	2,769.1	55
4.	Salomon Brothers	712.2	27	2,801.7	72
5.	Shearson Lehman/Amex	709.6	40	2,781.6	130

Common stock
(full credit to lead manager — $ millions)

1984 rank	Manager	1984 Amount	1984 Issues	1983 Amount	1983 Issues
1.	Morgan Stanley	$ 1,229.5	17	$ 4,092.5	49
2.	Goldman, Sachs	1,010.3	26	3,960.4	70
3.	Shearson Lehman/Amex	706.2	21	2,662.8	80
4.	Merrill Lynch Capital Mkts.	705.6	32	4,124.7	110
5.	Salomon Brothers	628.1	14	3,406.6	43

Non-convertible preferred stock
(bonus credit to lead manager — $ millions)

1984 rank	Manager	1984 Amount	1984 Issues	1983 Amount	1983 Issues
1.	Goldman, Sachs	$ 575.6	11	$ 570.3	18
2.	Shearson Lehman/Amex	538.3	13	386.9	22
3.	Merrill Lynch Capital Mkts.	440.4	20	804.3	25
4.	Salomon Brothers	431.1	15	661.1	21
5.	Morgan Stanley	269.7	8	782.1	16

Non-convertible preferred stock
(full credit to lead manager — $ millions)

1984 rank	Manager	1984 Amount	1984 Issues	1983 Amount	1983 Issues
1.	Goldman, Sachs	$ 884.7	8	$ 824.0	10
2.	Shearson Lehman/Amex	525.0	7	250.0	6
3.	Merrill Lynch Capital Mkts.	470.0	10	823.0	9
4.	First Boston	300.0	4	770.0	9
5.	Morgan Stanley	263.0	5	843.0	13

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Morgan Stanley strong in '84

NEW YORK — Morgan Stanley's strength in U.S. offerings by foreign issuers played a key role in pushing the firm into the upper ranks of the common stock and initial public offering standings last year.

The firm managed the three largest such offerings of 1984 — deals that also counted among the year's biggest equity financings overall.

It helped London-based Reuters Holdings and Cadbury Schweppes raise $107 million and $102 million, respectively, in initial public offerings. Morgan Stanley also was lead underwriter in British Telecommunications' $279 million initial public offering — the single largest equity deal of the year.

As a result, Morgan Stanley led other underwriters in the common stock and initial public offering areas on a full-credit-to-lead manager basis, according to IDD Information Services. It garnered 13.8%, or $1.2 billion, of 1984's $9 billion in common stock volume. Of the $3.8 billion that represented IPOs, the firm held a 17.1% market share, raising $648 million for issuers.

By IDD's bonus-credit measure, however, the firm ranked third and second in the common stock and initial public offering area, respectively.

While Morgan Stanley's historical strength in these two markets has played a role in capturing American depository receipt business, Thomas Saunders, Morgan Stanley's syndicate chief, said the firm also had placed early early emphasis on building its ADR capabilities. It has been one of the firm's "strategic initiatives," along with building up its high technology expertise, he said.

The British Telecom offering underscores the increasing role foreign companies are playing in the domestic equity scene, according to Mr. Saunders.

"I think it says something when the largest equity deal, not to mention the largest IPO, is by a foreign company," he asserted. "There has been significant growth in this area in the last two to three years. The ADR market is one where the equity business is headed."

The trend stems from the internationalization of the corporate arena, and recognition by foreign entities that the U.S. capital markets, the largest in the world, can best accommodate their financing needs.

More recently, there has been a general acceptance by foreign corporations to register under requirements of the Securities and Exchange Commission, said Mr. Saunders. Moreover, foreign companies now are working deliberately to establish shareholder distribution patterns that reflect the geographical breadth of their commercial interests.

These factors, combined with increased demand from U.S. pension funds looking to diversify internationally, have set the stage for a growing ADR market.

Morgan Stanley's standing in the equity rankings came in a year when a sluggish stock market kept issuers and investors out of the market. Common stock volume dropped 75% from its 1983 level. Likewise, total IPOs dropped 70% in 1984 from their high in 1983.

The firm's standing in this environment is a logical one, Mr. Saunders said. "The type of company that we work with tends to be higher quality and the kind of deals that can get done in difficult markets," he explained.

Officials at Morgan Stanley were quick to refute arguments that overpricing of high-technology IPOs in 1983 largely led to the drop in 1984 volume.

Most companies "weren't placed incorrectly," said Mr. Saunders. "They were placed in the fever of 1983" — a year when a robust stock market led to an influx of maturing venture capital companies.

"High-technology companies could be sold standing on a street corner," Mr. Saunders said. In 1984, investor attitudes changed, and the high-tech marketplace was re-evaluated.

Despite the downturn, Morgan Stanley considers 1984 a good year for the IPO market. Volume was up 63% from that generated in 1982, a more realistic benchmark by which to judge, Mr. Saunders said. In addition, IPOs as a percentage of common stock financings have continued to climb: That market represented about 42% of common stock volume last year, compared with about 10% in 1982.

In other areas, Morgan Stanley was the leading underwriter of utility financings in 1984, another stronghold for the firm. It took almost 20% of the utility offerings issued last year on the basis of bonus credit to lead manager and almost

Continued on page 16

Source: IDD Information Services

Non-convertible debt
(bonus credit to lead manager — $ millions)

1984 rank	Manager	1984 Amount	1984 Issues	1983 Amount	1983 Issues
1.	Salomon Brothers	$ 17,933.2	245	$ 9,344.6	192
2.	First Boston	8,304.2	179	5,514.1	102
3.	Drexel Burnham Lambert	7,666.9	80	4,270.5	65
4.	Merrill Lynch Capital Mkts.	7,266.9	182	6,093.4	164
5.	Goldman, Sachs	6,130.5	139	5,150.9	111

Non-convertible debt
(full credit to lead manager — $ millions)

1984 rank	Manager	1984 Amount	1984 Issues	1983 Amount	1983 Issues
1.	Salomon Brothers	$ 20,142.7	164	$ 10,820.9	113
2.	Drexel Burnham Lambert	9,580.2	69	4,657.9	52
3.	First Boston	8,295.4	102	6,665.6	53
4.	Merrill Lynch Capital Mkts.	7,041.6	76	5,942.4	71
5.	Goldman, Sachs	5,317.6	55	4,929.6	47

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Issue date	Company	Amount ($ mil.)	Type of security	Offering price Debt (%) Share ($)	Gross spread as % offer price	Where traded (to list)	Managers
1/7	ARA Manufacturing-Delaware	50.00	S.F. Deb.	100.00%	3.900	OTC	Drexel Burnham Lambert
1/7	Saint Elizabeth Medical Center	18.00	Ext. Flt. Mtg.	100.00%	3.250	OTC	S.C. Zeigler
1/8	American Capital Bond Fund	50.00	Cvt. Ex. Note	100.00%	1.250	NY	Drexel Burnham Lambert
1/8	Boise Cascade	100.00	Note	99.37%	.654	NY	Salomon/First Boston/Lazard Freres
1/8	Fairfield Communities	35.00	Sub. Note	100.00%	2.950	NY	Drexel Burnham Lambert
1/9	American Home Finance III	8.02	Col. Bond	100.00%	3.500	OTC	Bacon Stifel Nicolaus/J.C. Bradford
1/9	Burlington Northern Railroad	16.70	Equip. Trust	100.00%	.750	OTC	Salomon Brothers/Morgan Stanley
1/9	Burlington Northern Railroad	16.65	Equip. Trust	100.00%	.650	OTC	Salomon Brothers/Morgan Stanley
1/9	Burlington Northern Railroad	16.65	Equip. Trust	100.00%	.550	OTC	Salomon Brothers/Morgan Stanley
1/10	Equitable Life Leasing	35.00	Medium Note	100.00%	.225	OTC	Smith Barney, Harris Upham
1/10	Equitable Life Leasing	25.00	Medium Note	100.00%	.186	OTC	Smith Barney, Harris Upham
1/10	International Bank-Recon. & Dev.	150.00	Flt. Note	99.87%	.501	OTC	Salomon Brothers
1/10	Zenith Electronics	75.00	Note	99.62%	.753	OTC	Morgan Stanley
1/10	Ipalco Enterprises	26.40	Common	$33.00	2.652	NY/MW	Kidder Peabody/Shearson Lehman-Amex/Merrill Lynch
1/11	Ryland Acceptance Three	31.20	Col. Bond	100.00%	3.500	OTC	A.G. Edwards/Wheat (Banks)/J.J.B. Hilliard/Ohio Co.
1/11	Kroger	34.09	Common	$25.25	6.257	AM	Dean Witter Reynolds
1/11	Paine Webber Group	75.00	Cvt. Preferred	$25.00	4.000	NY	Paine Webber/First Boston
1/14	Geriatric & Medical Centers	5.00	Sub. Deb.	100.00%	6.500	OTC	Advest Co.
1/14	Centrafarm Group	6.75	Common	$6.75	7.037	IPO	L.F. Rothschild, Unterberg, Towbin
1/15	Citicorp	250.00	Note	100.00%	.350	NY	Goldman, Sachs/First Boston/Kidder Peabody/Merrill/Salomon
1/15	Norstar Bancorp	100.00	Flt. Sub. Note	99.80%	.501	NY	Salomon Brothers
1/15	Ryan Mortgage Acceptance	13.00	Col. Bond	100.00%	3.500	AM	DWR/EFH/PBS/SLAE/SBH/A.G. EDWARDS
1/15	Seaboard System Railroad*	11.73	Equip. Trust	99.02%	.404	OTC	Morgan Stanley/Kidder Peabody
1/15	Sweden	200.00	Bond	99.60%	1.129	OTC	SAL/FBC/MLCM/POST-OCH-KREDITBANKEN/SVENSKA*
1/15	Seagull Energy	13.92	Common	$16.37	5.802	NY	Shearson Lehman-Amex/First Boston/Salomon
1/17	Associates of North America	100.00	Sr. Note	99.93%	.250	OTC	Merrill Lynch Capital Markets
1/17	Chrysler Financial	200.00	Note	99.62%	.652	OTC	Salomon/Merrill Lynch Capital Markets
1/17	Continental Home Finance	11.00	Mtg. Backed	100.00%	3.750	OTC	Piper, Jaffray
1/17	Nuviaica	6.82	Common	$13.25	8.000	IPO	The Ohio Co.
1/17	Public Service Electric & Gas	182.00	Common	$26.00	2.308	NY	Merrill Lynch Capital Markets/Kidder Peabody
1/17	A.L. Williams	22.69	Common	$8.25	7.636	OTC	Stephens/Bear (Banks)/Robinson-Humphrey-Amex
1/18	Chrysler Financial	200.00	Note	100.00%	.675	OTC	Salomon/Merrill Lynch Capital Markets
1/18	PDA Engineering	7.25	Common	$7.25	7.172	IPO	Prudential-Bache Securities/L.F. Rothschild, Unterberg Towbin
1/18	Parinl Investment Properties	15.00	Cvt. Preferred	$10.00	7.200	AM	Paine Webber

Source: Securities Data Corp., New York
**Competitive*
Col.: Collateralized
Sub.: Subordinated

S.F. Debs.: Sinking Fund Debentures
Equip. Tr.: Equipment Trust Certificates
Flt. Sub. Note: Floating rate subordinated notes
Mtg. Backed: Mortgage-backed Bonds
Cvt. Ex. Notes: Convertible Extendable Notes

'Dean Witter Reynolds/E.F. Hutton/Pru-Bache/Shearson/Smith Barney/A.G. Edwards
'Salomon/First Boston/Merrill Lynch/Post-Och Kreditbanken/Svenska Handelbanken

AM: American Stock Exchange
IPO: Initial Public Offering
NY: New York Stock Exchange
OTC: Over the Counter
MW: Midwest

Morgan . . .

Continued from page 15

30% when full credit was allotted the lead manager, according to IDD.

In addition, the firm ranked second for convertible preferred stock financings and fifth in the rankings for straight preferred.

Overall, Morgan Stanley placed seventh, with a 5.1% market share.

The firm's market share in the utility arena increased at a time when public financings in this industry have been declining.

Volume in 1984 totaled $9.5 billion, compared with $16.2 billion in 1983. Volume totalled $18 billion in 1982.

The precipitous drop in last year's activity was due, in part, to the absence of American Telephone & Telegraph Co. and its newly divested regional companies in the financing arena, said John Barr, who heads up Morgan Stanley's utility group.

A longer term factor in the decline is that utility financing needs have slackened as large construction projects have neared completion, he added.

While new financings for these types of projects are expected to continue their downward trend, Mr. Barr cited two areas where utility financing needs are on the rise.

"We are seeing more merger and acquisition activity coming out of the gas industry," he said. Utilities likely will have to enter the public markets to fund them.

In addition, utilities are expected to return to the public markets to refinance debt issued for construction projects. ■

Tom Saunders

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Convertible debt
(Bonus credit to lead manager — $ millions)

1984 rank	Manager	1984 Amount	1984 Issues	1983 Amount	1983 Issues
1.	Shearson Lehman/Amex	$ 940.4	10	$ 690.8	12
2.	First Boston	818.0	14	659.2	14
3.	Goldman, Sachs	472.8	8	493.3	11
4.	Merrill Lynch Capital Mkts.	422.9	13	1,112.8	19
5.	Drexel Burnham Lambert	325.0	9	871.8	21

Convertible debt
(full credit to lead manager — $ millions)

1984 rank	Manager	1984 Amount	1984 Issues	1983 Amount	1983 Issues
1.	Shearson Lehman/Amex	$ 1,055.0	7	$ 880.0	10
2.	First Boston	828.6	10	842.5	11
3.	Goldman, Sachs	465.0	4	570.0	7
4.	Merrill Lynch Capital Mkts.	405.0	7	1,121.6	14
5.	Drexel Burnham Lambert	330.0	9	924.1	19

Source: IDD Information Services